

By: Ellis

S.B. No. 1564

A BILL TO BE ENTITLED

AN ACT

relating to an increase in the cigarette tax to fund the child health plan program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 154.021(b), Tax Code, is amended to read as follows:

(b) The tax rates are:

(1) \$120.50 [~~\$70.50~~] per thousand on cigarettes weighing three pounds or less per thousand; and

(2) the rate provided by Subdivision (1) plus \$2.10 per thousand on cigarettes weighing more than three pounds per thousand.

SECTION 2. Section 154.6035, Tax Code, is amended to read as follows:

Sec. 154.6035. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX RELIEF FUND AND CHILDREN'S HEALTH INSURANCE PROGRAM. (a) Notwithstanding Section 154.603, all proceeds from the collection of taxes imposed by this chapter attributable to the portion of the tax rate in excess of \$20.50 per thousand on cigarettes, but not exceeding \$70.50 per thousand, regardless of weight, shall be deposited to the credit of the property tax relief fund under Section 403.109, Government Code.

(b) Notwithstanding Section 154.603, all proceeds from the collection of taxes attributable to the portion of the tax rate in

1 excess of \$70.50 per thousand on cigarettes, regardless of weight,
2 shall be deposited to the credit of the children's health insurance
3 program account in the general revenue fund and may be appropriated
4 only to the Health and Human Services Commission for the child
5 health plan program under Chapter 62, Health and Safety Code.

6 SECTION 3. This Act takes effect September 1, 2013.